The A. F. of L. Weekly News Service gives a brief summary of important matters affecting labor, occurring in the industrial, legislative and judicial fields, and such other information that will benefit the trade union movement.

# AMERICAN FEDERATION OF LABOR

## WEEKLY NEWS SERVICE

You cannot dream yourself into a character.—Froude.

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WHOLE NO. 1085. | WILLIAM GREEN, President | WASHINGTON, D. C., SATURDAY, JANUARY 23, 1932 | FRANK MORRISON, Secretary | VOL. 21, NO. 46.

## Low Wages and Prosperity

One of the arguments of wage reduction advocates is the claim that lower wages will stimulate business recovery and hasten the return of prosperity by enabling manufacturers to reduce their production costs and consequently the prices for the articles which their employes produce.

This contention received a heavy blow by the report of the U. S. Bureau of Agricultural Economics on wages of farm laborers. The Bureau said that wages on United States farms have dropped below the 1913 level. Lowest wages are paid in the South Central and South Atlantic States, at 72 to 74 cents a day with board and 96 cents to $1.02 a day without board. Highest wages are paid in the North Atlantic States, where the average rate is $1.70 per day with board and $2.37 without board.

Monthly rates, the Bureau found, range from $14.43 with board in the South Atlantic States to $32.39 with board in the Far Western States; and without board, from $21.80 in the South Atlantic States to $31.45 in the Far Western States.

The Bureau also found numerous instances, particularly in the North Central States, of laborers driven to the point of working for their food and lodging alone, which is the diet the farmers furnish to their horses.

If the wage reducers' contention that low wages and the following low production costs contribute to business revival and prosperity, the farmers should be in the foremost ranks of prosperity.

But the truth is that millions of them are on the verge of bankruptcy despite the fact that in addition to low wages they are assisted by the Federal Land Banks to loan them hundreds of millions of Government furnished money at reasonable rates and backed up by the Federal Farm Board subsidized with $500,000,000 supplied by the Government to stabilize the prices of farm products at reasonable figures.

Their condition is so desperate that Congress has appropriated an additional $125,000,000 for the use of the Federal Land Banks to assist them with new loans.

The situation in which the American farmers are placed should put a definite quietus on the activities of low-wage propagandists.

Low wages, with the consequent small buying power of the workers, are our greatest handicap to the revival of normal business activity and the return of prosperity.

It is regrettable that some of our leading business men have not the clearness of vision to see this elemental economic truth.

## Labor's Remuneration

There is a tendency among certain writers on economics and industrial relations to assume that all the workers are entitled to is a "living wage."

This theory frequently expresses itself in the declaration that if those who own and control our industries cannot furnish work at wages large enough to provide the workers with the necessaries of life, then there must be some form of unemployment insurance or, as a last resort, relief in the form of public or private charity with charity standards of living based on scientifically prepared budgets designed to keep the workers alive and but little more.

This reactionary idea should be scrapped. Labor does most of the productive work in all departments of our economic life. With modern machinery, the workers not only produce earnings large enough to provide a "living wage" for themselves and a fair return to the owners on their legitimate investment, but also produce surplus earnings running into billions of dollars.

The theory of the "living wage" people is that this immense surplus belongs of right to those who own and control industry.

Labor does not subscribe to this theory. Labor's policy declares that a large and ever larger portion of this surplus shall go to the workers in wages, and that the amount shall not be determined in the least by what it costs the workers to live.

A living was what the slave owners gave their slave workers. Labor has passed beyond the slave status. Living-wage employers and economists are still dominated by the slave conception. They should modernize their viewpoint.

## Employers and Living Standards of Workers

The editor of the Washington Post says that "Europe is still practicing the exploitation of its labor with a view of selling large quantities of its products abroad, instead of building up its home markets by raising the standards of living." This is the same as saying that American employers, in contradistinction to their European brethren, are engaged in raising the living standards of American workers.

Living standards are largely determined by earnings. The editor of the Post evidently is oblivious of the fact that American employers during the past two years have reduced the living standards of millions of workers to the charity basis by refusing to employ them at any wage, and drastically lowered the living standards of millions of others by wage cuts and part time work.

Right now the executives of our railroad companies are working together to reduce the living standards of railroad workers by a ten per cent wage cut. And our employers as a whole absolutely refuse to reduce the hours of labor to the seven-hour day and the five-day week and thus automatically provide jobs for at least eight million unemployed persons and raise their living standards from the near-starvation basis to the standard fixed by reasonable wages.

As a rule it may be stated that when it comes to Labor the employers of the United States, Europe, and every other country apply the identical policy of extorting from the workers as large an output as possible for the lowest wages that economic and social conditions will permit.

## Dangers of "Economic Regimentation"

The editor of the Iron Age deplores certain tendencies by our Federal and State governments to control some of the antisocial activities of those who own and govern American industrial concerns and persuade them to give more attention to the public interest as a motive in production and distribution.

**"Economic regimentation," the editor says, "like social caste and political autocracy, is contrary to American tradition."**

The editor refers, of course, to "economic regimentation" of the employers by the State.

Those who own and control industry should be the last ones to deplore any tendency toward their regimentation.

They have already regimented our millions of workers.

The tyranny they impose on workers, except where restrained by strong trade unions, is absolute.

They fix the workers' wages and lower them by executive orders.

They determine the workers' standards of living and have deliberately reduced those standards by wage cuts and short time.

They ruthlessly and recklessly install labor-displacing machinery which throws millions into the army of the unemployed, and then set up charity organizations to collect from the public, including the employed workers, relief funds, the maximum ambition of which is to keep the jobless and their families from starving.

They issue their decrees, and the workers can obey them or get out.

In short, the owners and managers of our industrial plants have completely regimented the workers and established an industrial dictatorship probably more effective than that imposed by the autocratic tyrants who despotically rule Bolshevist Russia and Fascist Italy.

But when the people's representatives in legislative bodies suggest certain regulation of the business activities of this gentry, up jump their editorial spokesmen with brainstorm declarations about "American tradition" and dangers of "regimentation" by the State.

If all the bills suggested by economists and legislators for State control of these industrial overlords were written into law, the regimentation of employers would not be a hundredth part as much as the regimentation which they, themselves, have already imposed on the workers by their dictatorial ownership and control of opportunities to work and hence of the right to live.

## MACHINERY DESTROYS JOBS, JARRETT SAYS

Clarksburg, W. Va., Jan. 23.—The owners and managers of West Virginia industries spent more than $76,000,000 for new machinery from 1925 to 1930, according to Mr. Howard S. Jarrett, West Virginia Commissioner of Labor.

As an illustration of the increased productive power of the modern wage earner under labor-displacing machinery, Mr. Jarrett said he recently watched 40 women with 40 machines perform the work formerly done by 500 persons. He said that if work cannot be made sufficient to provide the workers with the necessaries of life, "they must depend on unemployment insurance or as a last resort, the dole—in which they are not keep to become participants."

The State's last unemployment survey, Mr. Jarrett said, showed 42,000 unemployed exclusive of mine workers.

## BOSTON ASKS $3,000,000 JOBLESS RELIEF FUND

Boston, Jan. 23.—The United Boston Unemployment Relief Committee opened a drive for a $3,000,000 jobless relief fund. William H. Taylor, chairman of the committee, emphasized the importance of maintaining the city's aid for between 50,000 and 65,000 men, women and children.

"Boston's unemployment relief," Mr. Taylor said, "is being administered by the overseers of public welfare to the heads of 7,900 families. The head of the family is not made to feel that he is receiving charity, because he is asked to work in one of the municipal departments in return for the aid that is given him."

## DAMROSCH ASKS RELIEF FUND FOR IDLE MUSICIANS

New York, Jan. 23.—Walter Damrosch, former director of the New York Symphony Orchestra, issued an appeal for the $300,000 relief fund for jobless musicians sponsored by the Musicians' Emergency Aid.

The musicians, it was stated, although skilled in their art, are steadily being forced toward destitution. According to Mr. Damrosch, the unemployed musicians do not go to the welfare agencies or stand in bread lines. They remain behind the doors of their studios, silent, suffering and discouraged because the lack of buyers for their services brings them face to face with want.

## JOBLESS INSURANCE LAW PROPOSED IN N. Y. SENATE

Albany, N. Y., Jan. 23.—Senator Seabury Mastick introduced a bill in the Senate providing for the creation of a permanent system of reserve funds to provide workers with a portion of their regular wages during periods when employers refuse to employ them.

Mr. Mastick said the bill would require employers to set aside in reserve funds a small fixed percentage of their pay rolls. From this fund jobless employes would receive a limited proportion of their regular wages not to exceed $10 a week for 13 weeks in a year.

The administration of the plan would be placed in the hands of employment stabilization boards provided for each industry under the general supervision of the State Department of Labor.

## *8,000,000 Unemployed, A. F. of L. Survey Says; Federal Relief for Jobless Absolutely Necessary*

**Washington, Jan. 23.—There are 8,000,000 unemployed in the United States.**

**The jobless have increased over 1,000,000 during the past year.**

**Unemployment relief systems have broken down.**

**Federal appropriations for unemployment relief are necessary to prevent untold suffering.**

**These are the outstanding features of the present unemployment situation, according to the Monthly Survey of Business of the American Federation of Labor.**

### 8,000,000 Unemployed

"Although business revival is the ultimate cure for unemployment," the Survey says, "its coming will be slow and unemployment will continue at abnormal levels for the year 1932. Those out of work now number well over eight million, according to a conservative estimate, based on Government figures; unemployment has increased by over 1,000,000 since January a year ago. To care for these sufferers at once is a matter of life and death. Their resources are exhausted. We must plan now to feed, clothe and house them for the coming year. Unemployment rose this year to a new peak in December, 1931, when 21.8 per cent were out of work, according to our weighted estimates.

"These unemployed men and women have families to provide for. A careful estimate shows an average of two dependents per unemployed worker, corresponding to a family of three.

### Bare Existence Budgets

"The Children's Bureau and the Bureau of Agricultural Economics give $5 to $7 a week for a food budget as the absolute minimum below which a family of three cannot go without illness and starvation. At minimum levels food is 45 per cent of the entire budget. Therefore the minimum relief budget for three is from $577 to $806 a year.

"Even this budget will cost from $3,500,000,000 to $5,700,000,000 for 1932. It is a sad commentary on American efficiency that we should now be considering a bare existence budget for nearly 20,000,000 of our people. But the problem is colossal.

### Jobless Relief Inadequate

"We do not know what our relief funds for 1932 amount to, but the following facts have come to light: Demands on community chests will be four times those of 1928, but their resources are only 25 per cent more; only $37,000,000 from their drives will be available for direct home relief.

"In one city, reports show families living in cellars; one judge had 425 eviction cases in one day. How can we count on local governments to provide relief when many are not even paying their school teachers!

"Relief is totally inadequate. Most of the unemployed depend on so-called 'invisible' relief extended by relatives and neighbors, or on loans (involving debts against the future) from merchants, landlords or employers.

"Even last year when the need was far less, relief fell short. A study by the Russel Sage Foundation and the Census Bureau, covering 90 per cent of the town and city and a large portion of the rural population, showed only 1,288,000 families helped by both public and private relief in the first quarter of 1931, when unemployment averaged 6,700,000.

### Federal Funds Necessary

**"Our relief provision has broken down. The question now is: Shall the unemployed depend on 'invisible' relief or shall they have relief funds from the Federal Government?**

**"To do without Federal aid means placing a crushing burden on those least able to bear it—the unemployed themselves who are laying up debts against the future, or their relatives and neighbors. It means a colossal increase in sickness, mental disease, starvation, death, widespread moral breakdown.**

**"Federal relief means placing the burden, through taxation, on those best able to bear it; taxing the incomes of men who have made fortunes from the work of those now unemployed. We must choose now."**

## HOOVER'S FINANCE BILL PASSED BY CONGRESS

### Provides $2,000,000,000 of Government Funds for Loans to Financial Institutions and Railroads.

Washington, Jan. 23.—Congress enacted the law establishing the Reconstruction Finance Corporation. The U. S. Treasury will start the Corporation off with $500,000,000 of Government funds. The law authorizes it to borrow in addition $1,500,000,000, making a total of $2,000,000,000.

The Corporation will loan its funds to banks and other financial institutions and railroads. Loans may be made to closed banks up to $200,000,000, and a special fund of $50,000,000 may be loaned to small farmers.

The Government will borrow $2,000,000,000, or such portion as may be necessary, and then loan the money to the institutions authorized by the act.

The establishment of the Reconstruction Finance Corporation was recommended to Congress by President Hoover. It is expected the vast amount of credit will stimulate business activity and restore prosperity.

## ROAD BUILDING URGED FOR GEORGIA JOBLESS

### Governor Says Tenant Farmers Are Destitute—Asks Federal Funds for Highway Work.

Atlanta, Ga., Jan. 23.—Governor Richard B. Russell, Jr., urged a Federal emergency appropriation of $200,000,000 or $300,000,000 for highway construction to provide work at living wages for the tenant farmers of Georgia who are in dire distress.

According to Governor Russell the landlords and supply merchants have hitherto provided the cotton tenant farmers and share croppers with enough credit to carry them from one crop to the next. This year they are unable to do so.

### Farmers Can't Pay Debts

"The landlords and supply merchants of this State," the Governor said, "have reached the breaking point, and are themselves unable to respond to the cry of these unfortunate ones who have nowhere else to turn for food and raiment during the winter.

"There are thousands of cases in Georgia where every article raised on the farm, as well as the livestock of the farmer and his tools, have been insufficient to pay the mortgage or bill of sale rendered necessary to obtain funds with which to purchase fertilizer and make the 1931 crop."

### Unemployed Will Suffer

In addition, Governor Russell pointed out that in some sections crop failure due to drought cut the food crops below that required to sustain man and beast until another crop can be produced.

"It is therefore apparent," the Governor continued, "that there will be actual and unusual suffering among the poorer people of the State, and thousands of honest men, who are anxious and willing to work if afforded an opportunity, are likely to see their families suffer unless some immediate steps are taken to help remedy present conditions."

### Federal-Aid Roads to Provide Jobs

Governor Russell said he believed a road-building program is the most practicable method for providing employment for the jobless, but that present financial conditions and constitutional limitations prevent the State from obtaining any considerable amount of money for an employment program.

It was his conviction, he concluded, that one of the first efforts of the national Congress should be to provide a substantial fund for unemployment relief to be distributed for the building of roads and highways.

## PHILA. CENTRAL BODY PROMOTES UNION COAL

Philadelphia, Jan. 23.—The Union Label Trades Council adopted a resolution urging trade unions affiliated with the American Federation of Labor to promote the sale of anthracite coal mined by the United Mine Workers of America and shipped in carriers operated by members of the Railroad Brotherhoods.

The resolution decried the wide use in Philadelphia of non-union and imported coal fuel products, which were described as contributing factors in the increased unemployment in the ranks of the railroad trade unionists and anthracite miners.

The union label organization took particular exception to the use of Koppers Philadelphia Coke, which was described as a bituminous product "derived from mines in West Virginia under non-union conditions, and, according to an exhibit before the Interstate Commerce Commission on August 20, 1931, is transshipped from Hampton Roads, Va., thereby depriving members of the Railroad Brotherhoods of an opportunity to derive any benefit from employment in the carrying of the product."

The resolution was introduced by Hal McMahon, secretary of the organization committee of the Label Trades Council.

## EXTEND WAGE RATE LAW, GREEN URGES

**Washington, Jan. 23.—In hearings on the Federal prevailing wage rate law held by the House of Representatives Committee on Labor, William Green, president of the A. F. of L., criticized the Government's conception of a "responsible" bidder on Government contracts and urged the extension of the law to a larger number of Government undertakings.**

### "Responsible" Bidders

"The law governing the policy pursued in the construction of buildings," President Green said, "provides that the contract for the erection of Government buildings shall be awarded to the lowest responsible bidder.

"The governmental authorities in awarding contracts have emphasized the word 'responsibility.' We have differed very definitely and sharply with Government representatives upon the interpretation placed upon the word 'responsibility.'

### Decent-Wage Contractors

"We have held that after all a contractor, a responsible contractor, ought to be a man who will pay decent wages, as well as being financially able to carry through the construction of a building or the completion of some Government enterprise.

"Many times the Government has suffered because they awarded a contract to what was clearly determined by governmental authorities to be responsible bidders and, as a result, buildings have been delayed through strikes and dissatisfaction and misunderstanding. Now, that was not advantageous to the Government. How a contractor who failed to complete a building within a reasonable length of time could be regarded as a responsible bidder was difficult to understand.

"We maintain that a responsible bidder is a man who can secure the cooperation of his employes, who can originate and construct a building quickly, expeditiously and within a reasonable length of time, and do it in a workmanlike manner.

### Object of Wage Rate Law

"Because contractors seeking and securing Government contracts attempted to exploit workers and pay them a rate of wages that was far below the prevailing rate paid in private industries in the respective localities where buildings were erected, we strongly appealed to the Congress to enact this prevailing rate of wage law."

### Extend Scope of Law

On Organized Labor's proposal to extend the scope of the law, President Green said:

"We have considered the advisability of trying to bring about a wider application of the prevailing rate of wage law so that it will apply to Government work of all kinds, Government undertakings, road building, flood control work, inland waterways, reforestation, improvements of all kinds. In other words, we wish that we might have the prevailing rate of wage principle applied to all classes of work undertaken by the Government, because we cannot conceive of any reason why the Government, representing all the people, should not pay as high a rate of wages as an employer in private industry.

"In fact, we think the Government ought to set a standard. It ought to really be a sort of a model employer, one that would emphasize human considerations rather than to constantly enlarge upon the commercial features of it."

## SENATE BILL REPORTED TO CUT MEXICAN QUOTA

Washington, Jan. 23.—The Senate Immigration Committee reported favorably the bill extending the quota restriction of immigration to Mexico. It is estimated that this would reduce Mexican immigration to 2,500 annually.

Senator Harris, the author of the bill, said the administration of the present law had cut down Mexican immigration to about 2,500, but he proposed that this be made compulsory by law.

## ST. LOUIS OFFICIALS VETO PAY REDUCTIONS

St. Louis, Mo., Jan. 23.—Walter J. G. Neun, Acting Mayor, and Louis Nolte, Comptroller, declared there would be no salary reductions of the city employes of St. Louis.

"The city is operated economically," Mr. Neun said. "Salaries of employes are not too high, and the financial condition of the city is good."

## ENGLAND BUYS LARGE LOT OF SOVIET UNION COTTON

London, Eng., Jan. 23.—The Lancashire Cotton Corporation purchased 500,000 pounds sterling worth of cotton produced in the Soviet Union. This is the largest Russian cotton transaction in the history of the Liverpool cotton market.

Observers express the conviction that this large-scale invasion of the British cotton market indicates that the authorities of the Union of Socialist Soviet Republics are endeavoring to displace certain grades of United States and South American cotton in the Lancashire mills.

## WOLL ASSAILS DRY LAW AS BREEDER OF CRIME

Washington, Jan. 23.—Matthew Woll, head of Labor's National Committee for the Modification of the Volstead Act, closed the testimony for the "wets" before the Metcalf Senate Committee, which held hearings on Senator Bingham's bill to permit the manufacture and sale of 4 per cent beer.

Mr. Woll said in part:

"Return of beer would make America a sane drinking nation instead of an insane drinking nation. Prohibition has changed us from a nation of moderate drinkers to a nation of hard drinkers.

"With the exception of Sicilian enforcement methods practiced by a small group of Federal prohibition agents, we have neither observance nor enforcement. Thirty-one States are not spending one penny for prohibition enforcement.

"For every saloon we had we now have 100 speakeasies. We have a reign of gangsters and a general disregard for law."

## CONGRESSMEN ADVOCATE ANTI-COMMUNIST LAWS

### Stricter Measures Urged for Deportation and Exclusion of Radicals Plotting Overthrow of Government.

**New York, Jan. 23.—Congressman Fish of New York and Congressman Bachmann of West Virginia urged greater repression of Communist activities in addresses before the second annual anti-Communist convention here.**

Congressman Fish urged the continued deportation of alien Communists, condemned the extension of credits to the Union of Soviet Socialist Republics, denounced the Communist Party of the United States and pleaded for the enactment of his bill to authorize the Department of Justice to investigate what he alleged to be revolutionary activities in the United States. He said there are between five and six hundred thousand Communists in the United States, about two-thirds of which are aliens.

### Communists Increasing

Congressman Bachmann emphasized the menace of the growth of Communism. "There is no question," he said, "but that Communism is on the increase in this country, and it is my conviction that so long as the Government permits these alien Communists to practice their activities in the United States, just so long will they continue to increase."

He urged that Communists be barred from ballots in elections, that the Communist press should be restricted, and our immigration laws strengthened.

### 800 Anti-Government Aliens Deported

Theodore G. Risley, solicitor for the U. S. Department of Labor, described the work of the Department in deporting aliens who seek to overthrow our form of government. He said that about 800 such aliens had been expelled since the enactment of the law in 1918. In addition, the law caused many aliens in the United States to forego such activities and had kept aliens of this character from coming to the United States."

## WISCONSIN ENACTS FIRST JOBLESS INSURANCE LAW

Madison, Wis., Jan. 23.—The Wisconsin Legislature enacted the first compulsory insurance law passed by any State.

Maximum benefits will be $100 a year paid in not more than 10 weekly installments of $10 or 50 per cent of the workers' average weekly wage. An additional dollar benefit each week may be received if the worker attends school during the period of his unemployment. Workers eligible to benefits are limited to resident employes who lose their jobs involuntarily.

The law becomes effective on July 1, 1933, and will not take effect at all if by that date 175,000 employes in the State are covered by unemployment reserve funds set up voluntarily by Wisconsin employers.

## CEMENT TRUST ROBS PEOPLE, NORRIS SAYS

Washington, Jan. 23.—Senator Norris of Nebraska told the Senate that he believed "an absolute illegal monopoly in the cement business exists in the United States." He declared that the "taxpayers of the country have been mulcted of hundreds of millions of dollars in the building of roads by secret agreements to the end of keeping the price up."

He said the alleged cement combine were placing difficulties in the way of representatives of the Federal Trade Commission in connection with the Commission's investigation of the alleged monopoly.

## CINCINNATI PENSION PLAN

Cincinnati, Ohio, Jan. 23.—Approximately 93 per cent of the city employes of Cincinnati approved the retirement system adopted last year.

The plan provides annuities for employes electing to retire at the age of 60. At 70 retirement is compulsory unless the trustees of the system recommend that they be continued in service.

## *Green Aids New York Firemen In Eight-Hour Day Campaign*

New York, Jan. 23.—The movement of the New York City firemen for an eight-hour day was emphatically endorsed by William Green, president of the American Federation of Labor, in an address at the fifteenth annual entertainment given by the Uniformed Firemen's Association of Greater New York.

### Meaning of A. F. of L. Affiliation

President Green opened his address with an outline of the principles involved in affiliation with the American Federation of Labor. He said in part:

**"Association with the American Federation of Labor means that the duties, obligations and responsibilities of Fire Fighters to communities are emphasized. We seek to raise the standard of service—not lower it. We seek to emphasize and extol the duties of citizenship. We seek to make men better and more efficient because of their affiliations with the American Federation of Labor.**

**"We hold that loyalty to the principles of the American Federation of Labor and loyalty to American institutions are synonomous terms.**

"Affiliations of the Fire Fighters do not mean strike inefficiency and lowered discipline, as the enemies of Organized Labor seek to make it appear. The citizens of communities, most of whom are wage earners, could not tolerate interruption with organized fire protection. Such protection must be constant, ever ready and responsive at all times. There must be no interference with that character of civic and community service."

### Decent Wages and Hours Imperative

On the advantages of the eight-hour day, President Green said:

**"We hold that in return for the loyal, devoted and efficient service which the Uniformed Firemen give to cities and communities, and particularly in New York, they should be paid decent wages for decent hours of service under humane and tolerable conditions of employment. No man should be denied the right to enjoy home and family life merely because he is a Fire Fighter. I think the long hours which Fire Fighters are compelled to be on duty each day are morally wrong, economically unsound and socially unjust.**

**"For these and other sound and unassailable reasons the American Federation of Labor is giving unreserved support to the Fire Fighters in their efforts to secure the establishment of the three-platoon system and the eight-hour day.**

### 8-Hour Day Means Work for Jobless

**"In my opinion the time is here when this economic reform and social justice project should be inaugurated without further delay. The institution of the eight-hour day for Uniformed Firemen in the City of New York would mean the employment of 2,500 additional men. This, in turn, would aid very greatly in relieving the unemployment situation. It would be far better to find employment for thousands of men than to tax the people an amount necessary to supply meager relief for such a large number.**

**"The inauguration of the eight-hour day for Uniformed Firemen will cost the taxpayers of New York but very little. It will be money well spent. The purchasing power of the community will be increased and that will mean more business for the merchants and the business men of the city. These faithful public employes will find it possible to enjoy a greater degree of life with their families. Civic and community life will be raised to a higher level.**

"I sincerely hope the people of New York will grant the Uniformed Firemen the eight-hour day at an early date. I urge them to invest in human values for they are the most enduring. When life and living conditions in this great city of New York are raised to a higher level and are made tolerable for the masses of the people human life is enriched and social values are enhanced.

### A. F. of L. Support Pledged

"Men and women, count on the American Federation of Labor to assist you in every honorable way to achieve your noble purpose to secure the enjoyment of the eight-hour day. Your International Officers have been tireless in your behalf, and it has been a pleasure to cooperate and work with them. We shall continue to aid and assist them in their efforts to secure the eight-hour day for you and for the Fire Fighters throughout the Nation."

## SENATE COMMITTEE FAVORS $375,000,000 FOR JOBLESS RELIEF

**Washington, Jan. 23.—The Senate Manufactures Subcommittee which considered bills sponsored by Senators La Follette and Costigan for Federal unemployment relief ordered a favorable report to the full committee on a combined bill providing $375,000,000 for such aid.**

The combined bill is designed to "provide for cooperation by the Federal Government with the several States in relieving the hardship and suffering caused by unemployment."

### Federal Emergency Relief Board

It authorizes an appropriation of $375,000,000 to be immediately available for allocation to the States by the Federal Emergency Relief Board, which the bill sets up.

The Relief Board will consist of the Chief of the Children's Bureau in the Department of Labor, the Director of Extension Work in the Department of Agriculture, the Chief of the Vocational Rehabilitation Service of the Federal Board for Vocational Education, and two members to be appointed by the President. The measure provides that the administration of the act shall rest with the Children's Bureau.

### Allocation of Funds

Forty per cent of the amounts appropriated will be apportioned among the States on a population basis, with the restriction that the amount going to any State shall not be in excess of two-thirds of the amounts made available by the State or the civil subdivisions thereof, or by private contributions from within the State.

The bill provides that the balance of the amounts appropriated are to be available for administrative expenses of the Federal agencies under the act and for a reserve fund for emergency allotments to the States where the amounts apportioned on the population basis are insufficient to meet the need. The relief will be administered within each State under rules and regulations adopted by the State authorities and approved by the Federal Emergency Relief Board.

### A. F. of L. Favors Federal Relief

The American Federation of Labor gave its full support to large Federal appropriations for unemployment relief in the hearings on the La Follette and Costigan bills before the Senate Subcommittee.

## CZECHOSLOVAKIA SETS UP SYSTEM OF LABOR COURTS

Prague, Czechoslovakia, Jan. 23.—The new law setting up labor courts, with jurisdiction in disputes arising out of contracts for the hire of services or apprenticeship agreements based on private law contract, went into effect on January 1.

The powers of the courts will not extend to disputes for which special bodies have already been made competent by the legislation on works councils, mines councils, works committees, the Elbe shipping tribunal, or the legislation applying to house porters. Nor does their jurisdiction include disputes with State employes or the employes of State undertakings.

The plan consists of Labor Courts, the District Court which acts as a court of appeal, and the Supreme Court which acts as a court of revision.

A duly constituted labor court consists of a chairman, who must be a professional judge, and two "assessors" appointed by the president of the Supreme Court from persons proposed by the central industrial associations of employers and workers. The District Court consists of three professional judges and two "assessors" appointed by the President of the Supreme Court.

In the case of collective labor disputes between one or more employers or employers' organizations and one or more workers' organizations, the parties may submit their disputes to the labor courts for conciliation.

## CANADIAN RY. SHOPMEN PUT ON FIVE-DAY WEEK

Montreal, Can., Jan. 23.—Officials of the Canadian National Railways announced that during February and March the principal shops of the system will operate on a five-day week for three weeks each month. About 10,000 employes are affected.

## BANKERS BOYCOTT LOANS ON HOMES

### Witnesses Tell Senate Committee That Banks' Refusal to Renew Mortgages on Small Homes Compels Foreclosure.

**Washington, Jan. 23.—The creation of a Federal home loan bank system, as recommended by the President and embodied in bills pending in Congress, was approved by representatives of real estate concerns and building and loan associations in the hearings held by the Subcommittee of the Senate Committee on Banking and Currency, of which Senator Watson of Indiana is chairman.**

### Banks Refuse Loans

H. S. Kissell of Springfield, Ohio, president of the National Association of Real Estate Boards, said that thousands and thousands of small home owners who are trying to pay for their homes on monthly installments were being victimized by banks and other mortgage owners who refuse to renew the loans and thus force foreclosure sales.

Fred G. Stickel, Jr., of Newark, N. J., representing the United States League of Building and Loan Associations, told of the boycott instituted by New Jersey banks against home loans. He declared that 15 per cent of the building and loan associations had been unable to meet the requirements of law to make payments on withdrawals in 30 days because the associations were denied loans by the banks from which they had obtained funds heretofore.

"These associations," he said, "have borrowed only 32 per cent of their rated capacity, but they are refused additional accommodations by the banks for the reason that the banks want to get in a liquid position.

### Investors Withdraw Deposits

Morton Bodfish, executive manager of the United States League of Building and Loan Associations, said the lack of investors' confidence had led them to withdraw large amounts of money from the associations. It was difficult, he said, for the associations to make new loans unless they got new money. He believed the home loan banks would open up new sources of money for the building and loan concerns.

James A. Devine, secretary of the Ohio Building Association, said that unusually heavy withdrawals by investors had crippled the lending capacity of his concern. Many individuals desirous of building homes could not procure loans. He believed the enactment of the law would revive borrowing from the building associations and would make "real estate mortgages on homes a more desirable investment for banks."

## $750,000,000 FEDERAL FUND FOR CLOSED BANKS

**Washington, Jan. 23.—In 1931 there were 2,290 banks closed in the United States with funds amounting to $1,758,000,000, Ogden L. Mills, Undersecretary of the Treasury, told the Senate Banking and Currency Subcommittee which was considering the bill endorsed by the President to provide for the advancement of Federal funds to the receivers of insolvent banks.**

Mr. Mills said the machinery of both Federal and State laws regarding insolvent banks are entirely inadequate to secure prompt relief for the depositors in the form of payments of a portion of their equities in the assets of the closed banks.

Under the proposed measure the Federal funds immediately available for relief of the insolvent banks would amount to $150,000,000; of this sum $100,000,000 will be subscribed by the U. S. Treasury and $50,000,000 by the Federal Reserve Banks. The corporation to handle the Federal fund can borrow up to four times its capital stock, making its total resources $750,000,000. Loans at interest rates fixed by the corporation will be made on free securities of insolvent banks with the idea of holding the paper until the security market becomes more favorable. In the meantime, payments would be made to the depositors of at least a portion of their equities.

## MEXICAN JOBLESS ASK RELIEF

Vera Cruz, Mexico, Jan. 23.—About 4,000 jobless workers presented a memorial to the municipal council demanding relief in the form of food, rent moratorium, and 50 cents a day in cash.